

PVTA
Pioneer
Valley
Transit
Authority

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DRAFT
MINUTES OF PVTA'S
REMOTE FINANCE & AUDIT COMMITTEE MEETING
May 18, 2020

1. CALL TO ORDER

The Finance and Audit Committee meeting of the Pioneer Valley Transit Authority was held on Monday, May 18, 2020 at 10:00 A.M. remotely in accordance with the Governor's State of Emergency Provisions of the Open Meeting Law, G.L. c. 30A, Section 20, relieving from the requirement of section 20 of chapter 30A that it conduct its meetings in a public place that is open and physically accessible to the public, permitting a public body to allow remote participation by all members.

ROLL CALL MEMBERS PRESENT:

Members: Doug Slaughter, Amherst; Brian O'Leary, Belchertown; Steve Huntley, Chicopee;
David Moskin, Hadley

NOT PRESENT:

N/A

Call to Order: Doug Slaughter, Chairman of the Finance & Audit Committee stated that the committee has a quorum and called the meeting to order at 10:05 A.M.

2. PUBLIC COMMENTS

Chairman Slaughter opened the floor for public comments. No Public Comments were made.

3. APPROVAL OF MINUTES OF THE FINANCE & AUDIT COMMITTEE MEETING OF MARCH 24, 2020

Chairman Slaughter asked for a motion from the Finance & Audit Committee to approve the meeting minutes of March 24, 2020.

MOTION: Moved and seconded (Huntley/O'Leary) to approve the minutes of PVTA's Finance & Audit Committee meeting held March 24, 2020.

Chairman Slaughter asked if there was any discussion, hearing none, asked for a roll call vote.

David Moskin: Yes
Steve Huntley: Yes
Brian O'Leary: Yes
Doug Slaughter: Yes

Motion passed, 4-0 vote.

4. FY21 PVTA FINAL BUDGET

Chief Financial Officer (CFO) Lisa Seymour reported the following:

FY20 9-Month Budget to Actual:

The 9-month budget to actual figures are through March 31, 2020 (pre-Covid). Fares showed an increase from the previous budget to actual due to an increase in ridership in February and March, although they are still down from the predicted FY20 budget. Overall, the budget is under by 6% due to UMass still being under budget by over \$500,000.

FY21 Budget:

For the FY21 budget, no changes have been made to the draft budget presented to the Board in March. Currently, not all the April bills have been received, so the true impact of Covid cannot be measured. Due to Covid, the budget will have to be revisited a few times for amendments as things progress and PVTA resumes full service.

PVTA was awarded a federal CARES grant to help offset some of the Covid expenses. The CARES Grant is for \$36 million and can be used for the next three years. This is money to keep providing service. We are waiting for MassDOT to approve moving our remaining discretionary funds to FY21. This will give us \$114,000 more to help balance the deficit. We also believe CMAQ funding carryover may be closer to \$100,000 which will help to balance the deficit. We will withdraw more on the federal operating grant to balance the budget. Revenue for MGM, the schools and colleges are still up in the air depending on when they reopen. Our budget assumptions are made on the anticipated Governors Budget of \$90 million. Covid has delayed that budget until at least July and payments from MassDOT for operating assistance are being discussed as paying 1/12 of last year's budget but may be considered too high.

FY21 Budget, included in Finance & Audit Committee Packet (same as presented at March Meeting):

Revenues

- Federal Operating Assistance – The same amount in federal operating assistance as in FY20 is budgeted. MassDOT's preliminary RTCAP program is currently under review.
- State Contract Assistance – Increased from FY20 due to the preliminary Governor's RTA budget of \$90.5 Million. This may change due to final budgets released by the House and the Senate. In addition, the State Budget maybe delayed.
- SATCO is reporting a decrease projection in fare revenue of 13.3% for the year. Ridership reports show ridership on those routes down by 10.6%. Passes are also down significantly.
- Shuttle revenue to Palmer/Ware is showing a decline in revenue possibly due to a budgeting error since ridership has increased this year prior to COVID.
- Paratransit revenue is down due to declined ridership.

- Other revenue is down for Admin and Info systems due to them being classed differently. These will be fixed by final budget and put in the appropriate accounts.
- The Local Assessments show the allowable increase of 2.5% but the COVID virus impact of declined ridership and decreased mileage will affect this amount by decreasing the local assessments.
- The Other Operating Subsidy increased due to new funding opportunities that we were granted but please note that the CMAQ is in this amount which may not be funded.
- Although the Administrator agrees in principle to the formula for the RTA's for Operating Assistance proposed by MARTA, PVTA is working with MARTA to allocated discretionary funding to PVTA to account for its service size as compared to the other RTAs.

Expenses

- The retirees Insurance is increased from FY20 to FY21 due to the addition of a retiree added to the pool.
- FY 21 Security Services for Customer Services at Union Station and Holyoke Transit Center increased due to a rate increase in the security guards per contract.
- Paratransit for the COA's appears to be over budget slightly for FY20. This may be due to the budget layout difference.
- The Management contract for First Transit is expiring July of 2020. The FY21 budget reflects an increase in the management services contract.
- The Administration staff wages reflect a 3% increase for staff for FY21 to coincide with previous cost of living raises in past years.
- SATCO/VATCO Equipment/Maintenance and Miscellaneous are under budget due to budget differences between the previous budget and this one.
- SATCO/VATCO Telephone budget is over and Utilities budget is under due to certain expenses being reclassified into the appropriate category to reflect a more complete picture.
- Fuel cost for FY21 is decreased due to SATCO/VATCO's Comptroller securing a cost for Diesel at \$1.78 a gallon down from \$2.06 this year. This savings is also reflected in UMass Transit fuel cost.
- The UMass Transit subsidy is showing a decrease of 2.13% due to their FY20 budget coming in under budget. The FY21 budget assumptions are based on the estimated FY 20 budget assumption with a 2% increase. For FY20 the college portion/reimbursement is decreased by their savings since the college costs factor in after PVTA pays their \$3.5 million.
- UMass Transit Telephone and Utilities differentials are due to reclassing. This will be fixed by final budget.

- UMass Transit claim payments were not budgeted in the previous budget. Due to a recent major accident adjustment were made to reflect possible outcome of damages.

Chairman Slaughter: PVTa needs to have an adopted budget before June 1st. The Finance & Audit Committee can take action to adopt the FY21 Budget and can vote to amend the Budget as needed and more information becomes available.

Chairman Slaughter asked for a motion from the Finance & Audit Committee to approve and adopt PVTa's FY21 Budget as presented.

MOTION: Moved and seconded (O'Leary/Moskin) to approve and adopt PVTa's FY21 Budget as presented.

Chairman Slaughter asked if there was any discussion, hearing none, asked for a roll call vote.

David Moskin: Yes
Steve Huntley: Yes
Brian O'Leary: Yes
Doug Slaughter: Yes

Motion passed by a 4-0 vote.

5. OTHER BUSINESS

Chairman Slaughter reported that there is no other business to discuss.

6. ADJOURNMENT

Chairman Slaughter asked for a motion from the Finance & Audit Committee to adjourn.

MOTION: Moved and seconded (O'Leary/Huntley) to adjourn.

Chairman Slaughter asked for a roll call vote.

David Moskin: Yes
Steve Huntley: Yes
Brian O'Leary: Yes
Doug Slaughter: Yes

The meeting of the PVTa Finance & Audit Committee adjourned at 10:58 A.M.

A TRUE RECORD

ATTEST: _____
BRANDY PELLETIER

Documents filed with Finance & Audit Committee Meeting packet:

- March 24, 2020 Finance & Audit Committee Meeting Minutes
- Year to Date – Budget to Actual Report
- FY21 Budget